

DIVISION OF FINANCIAL MANAGEMENT

STRATEGIC PLAN

For the Fiscal Years Ending June 30, 2005- June 30, 2008

Submitted the August 2, 2004

Signed:

Bradley T. Foltman, Administrator

MISSION:

To help state government provide effective and efficient services to the people of the State of Idaho.

OUTCOME BASED VISION:

The Division of Financial Management is dedicated to promoting government productivity and efficiency. This will be accomplished by developing informed policy analysis, accurate revenue forecasts and adequate budgets for the State of Idaho. The Division of Financial Management will be a customer service oriented organization that will lead by example in working with the Governor, the Legislature, state agencies and employees to streamline state government operations.

KEY EXTERNAL FACTORS:

- ◆ Legislation can alter or significantly impact the functions of the Division of Financial Management.
- ◆ The Division serves the Governor, therefore the duties and responsibilities of the Division are subject to change, as the Governor requires.
- ◆ Economic conditions within the state, its industries, and its regions are very dynamic and constantly evolving, necessitating a constant monitoring of these highly complex systems.
- ◆ Revenues necessary to operate state government are intricately connected to the economy of the nation and state.
- ◆ Fluctuations in state revenue may warrant the development of expenditure plan alternatives.
- ◆ Additions or reductions in federal appropriations or program mandates are unpredictable yet dramatically impact state activities and expenditure plans.

OPERATING PHILOSOPHY

The Division strongly encourages open communication and coordination with the Office of the Governor, agency personnel, and the public. The Division respects differences of opinion and commits itself to active problem solving and to finding workable solutions to important financial management and policy issues. The Division values all employees and strives to provide training and opportunities that enhance their skills and understanding of public administration.

GOAL #1: To support the Governor by exercising executive branch oversight responsibilities through developing, implementing, and monitoring statewide policies.

OBJECTIVES:

1. Identify opportunities for improvement.

Strategies:

- A. Think openly and objectively.
- B. Identify issues and define problems that could pertain to all agencies.
- C. Scan the environment for opportunities for improvement.

2. Refine policies before they are implemented.

Strategies:

- A. Collect comparative data and information, including other states' experiences.
- B. Evaluate the implications of new policy.
- C. To participate in the National Association of State Budget Officers activities to ensure information compatibility with other states and to seek innovative concepts and other features that may be applied to Idaho for improved operations.

3. Ensure effectiveness and efficiency by monitoring and evaluating current policies.

Strategies:

- A. Review existing policies on an ongoing basis.
- B. Evaluate the positive and negative implications of policies.
- C. Identify, develop, and implement solutions to problems or policies on a priority basis.
- D. Review and make recommendations to the Governor on all legislative proposals.
- E. To coordinate with the State Controller's Office, Division of Human Resources, Legislative Service Office, Fiscal Officer's Association, and various other groups to provide training, communication, input, and resource sharing.

OUTCOME MEASURES:

Program and policy issues are resolved and approved recommendations are implemented which enhance the efficiency or effectiveness of operations.

Effective improvements to Idaho's administrative process are produced and disseminated throughout state agencies.

The Governor and Governor's staff is satisfied with Division performance.

OUTPUT MEASURES:

Formalized policy directives are communicated through promulgation of Guidance Memorandums, position papers, press releases or Governor's legislation.

The review and analysis of legislative proposals will be completed within three (3) days of passage by both houses of the Legislature during the session.

Staff meetings will be held regularly to discuss issues and share ideas for improvement and to seek consistent application of statewide policies.

GOAL # 2: To develop, monitor, coordinate, and evaluate resource allocations for state programs and services.

OBJECTIVES:

1. Provide guidance and coordination for state agency budget requests.

Strategies:

- A. Establish regular communications with assigned agencies.
 - B. Review and communicate gubernatorial guidelines.
 - C. Produce the budget development manual.
 - D. Review and evaluate agency program needs and requests.
 - E. Coordinate request process with the Legislative Services Office.
2. Assist in developing and presenting the annual Governor's budget recommendations.

Strategies:

- A. Present options to Governor and agencies.
 - B. Develop proposals for decision makers.
 - C. Produce the Executive Budget document.
 - D. Represent the Governor's recommendation.
3. Ensure compliance with statewide financial and management requirements.

Strategies:

- A. Review appropriate Employee Information System actions for personnel policy issues and fiscal impacts.
- B. Guide expenditure and legislation implementation.
- C. Ensure compliance with budget and legislative requirements.
- D. Provide guidance and assistance to agencies on strategic planning, financial planning, organizational structure, and other legislative or executive information requirements.
- E. Provide a guidance and direction relative to policies impacting data processing, human resources, fiscal operations, and agency management practices.
- F. Participate in agency related meetings, including regular contact with state agency directors and other personnel to facilitate communication of financial and management practice information.
- G. Coordinate with agencies, the State Controller's Office, and the Division of Human Resources the review of financial and budget information in accordance with year-end closing authorities and responsibilities.

OUTCOME MEASURES:

Evaluations of the Division reflect conduct of the highest professional standards.

The role of the Division is being properly exercised.

OUTPUT MEASURES:

The Executive Budget document will be finalized and submitted for printing by the last week in December.

The Budget and Legislation Development Manuals are produced within 60 days of legislative session adjournment in cooperation with the Legislative Services Office.

The Executive Budget is adopted by the legislature within a range of plus or minus 3% of the recommendations.

Reviews by the Legislative Auditor identify no negative findings related to Division actions or procedures.

All timelines related to the Division of Financial Management as specified by *Idaho Code* will be attained.

GOAL #3: To develop and integrate a statewide strategic planning and performance reporting process, which encompasses the vision of the Chief Executive.

OBJECTIVES:

1. Revise the statewide strategic plan with the Office of the Governor.

Strategies:

- A. Create a new draft plan based on the strategic vision established by the Governor.
- B. Meet with the Governor and agency directors to communicate vision and obtain input and feedback regarding the draft plan.
- C. Incorporate inputs into plan and publish for citizen and elected official input.
- D. Modify plan as needed and communicate final plan to electorate.
- E. Establish a monitoring system to determine plan achievements and need for adjustment.

2. Performance results will be integrated into the Governor's Executive Budget address to the legislature in January.

Strategies:

- A. Guidance regarding the development of performance measurement systems will be provided to agencies annually.
- B. Performance reports will be collected with agency budget submittals by September 1, of each year.
- C. Strategic plan updates and performance results will be used for budget analysis in determining Executive Budget recommendations.
- D. Performance results will be compiled for the legislature by December 31 each year.
- E. Performance results will be delivered to the legislature as part of the Executive Budget address each January.

3. Agency budgets will contain references to strategic plans and budgets will be established based on goals, objectives, and strategies.

Strategies:

- A. In cooperation with the Legislative Services Office, budget development instructions will be developed and distributed to agencies within 60 days of the end of the legislative session for the upcoming budget year.
- B. The Budget Bureau analysts will assist agencies in linking goals and objectives to the budget submittals by the September 1 budget submittal deadline.
- C. Executive budget recommendations will be completed based on priority of goals and objectives by December 31.

OUTCOME MEASURES:

The upcoming fiscal year Budget will be presented to the Legislature in a format which identifies program goals and objectives with requested appropriations.

Performance reports can be linked to the budget of agency program areas and future budget requests.

OUTPUT MEASURES:

Strategic plans will be compiled and available for public consumption by December 31.

The format for performance reports will be provided with upcoming budget development instructions 60 days after the end of the legislative session.

Performance reports along with associated recommendations will be delivered to the Governor no later than December 31.

GOAL #4: To forecast and monitor General Fund revenues by source.

OBJECTIVES:

1. Produce full General Fund revenue forecasts semi-annually.

Strategies:

- A. Collect and maintain relevant fiscal data from source agencies (State Controller, Tax Commission, Dept. of Insurance, etc.)
 - B. Develop methodologies and analyses (econometric models, simulation models, tax processing databases, agency-run analyses) relating revenue collections to economic conditions and other external factors (Idaho and U.S. legislative changes, etc.)
 - C. Report periodic revenue forecast updates in timely, efficient, and usable formats (*General Fund Revenue Book*, *Idaho Outlook*, ad-hoc memos, reports, and presentations).
2. Provide monthly revenue monitoring reports for the Governor and general public.

Strategies:

- A. Collect and maintain relevant fiscal data from source agencies (State Controller, Tax Commission, Department of Insurance, etc.)
- B. Develop and maintain tools (spreadsheets, time-series analysis, etc.) that track current vs. historic collection patterns in order to identify potential revenue-related budget problems.
- C. Report monthly revenue collection results to the Governor and general public through the *Idaho Outlook*.
- D. Perform ad-hoc revenue monitoring analyses as needed when revenue problems arise (agency contacts, tax and revenue processing analyses, in-depth industry analyses, etc.)

OUTPUT MEASURES:

General Fund Revenue Book is published annually.

Idaho Outlook is published monthly.

Ad hoc reports and presentations are provided to the Governor and/or the public as requested.

OUTCOME MEASURES:

State fiscal operations are based on credible revenue forecasts.

Revenue problems are identified quickly with maximum response time available for decision makers.

GOAL # 5: To provide research and analysis on matters of tax policy and fiscal impacts affecting the State of Idaho and its citizens.

OBJECTIVES:

1. Provide guidance and coordination for developing executive tax policy.

Strategies:

- A. Maintain professional competence in the area of state and national tax policy issues.
 - B. Apply basic and advanced principles of economics and public finance theory in developing tax policy proposals.
 - C. Maintain a high level of awareness and understanding of Idaho's relative ranking and performance in tax and fiscal studies.
 - D. Present executive legislative proposals and positions to relevant legislative committees.
2. Analyze all legislation and legislative proposals that have revenue related fiscal impact potential on Idaho state and/or local government.

Strategies:

- A. Provide rapid analysis of fiscal impacts and tax policy implications of legislation upon its introduction (using Legislation Information System).
 - B. Maintain contact with relevant Idaho state agencies and other states to obtain the best possible information and analysis of legislation impacts.
 - C. Develop and maintain analytical tools and databases that provide fiscal and tax policy impact results.
3. Respond to ad hoc requests for tax policy and fiscal analysis.

Strategies:

- A. Develop strong foundation of tax policy and fiscal analysis resources within the Economic Analysis Bureau (EAB).
- B. Provide clear and concise summaries of analysis and statistics pertaining to information and analysis requests.
- C. Maintain inter-personal links to key entities concerned with tax and fiscal analyses (legislators, legislative staff, local government, trade associations, etc.)

OUTPUT MEASURES:

All printed bills with potential revenue impacts or tax policy implications are reviewed by the EAB in a timely and competent fashion.

Executive tax policy initiatives are crafted and presented in technically correct and readily understandable terms.

All external tax and revenue related policy proposals are reviewed and recommendations are forwarded to the Division of Financial Management (DFM) Administrator and the Governor in a timely manner.

Testimony is provided to legislative committees concerning executive proposals and positions.

OUTCOME MEASURES:

Executive tax policy is formulated with knowledge and understanding of consequences.

Fiscal impacts are identified in advance and can be integrated into the planning and operational responsibilities of the Executive Branch.

Legislators, interest groups, and the public are provided with enhanced awareness and understanding of tax policy and fiscal impacts

GOAL #6: To analyze and report on economic matters of concern to the policy makers and public of Idaho.

OBJECTIVES:

1. Produce a formal economic forecast for the State of Idaho.

Strategies:

- A. Maintain and upgrade the methods (econometrics, statistics, etc.) and technologies (hardware and software) used to produce the economic forecast.
 - B. Network with pertinent personnel in government and industry to gain improved understanding of issues and facts related to Idaho's economic performance
 - C. Utilize DRI's econometric consulting services to provide essential U.S. macroeconomic forecasts.
 - D. Develop enhanced output formats for economic forecast data, and utilize emerging distribution technologies as cost-effective alternatives to conventional publication.
2. Identify and monitor key economic and demographic information pertinent to Idaho's economic performance.

Strategies:

- A. Develop access to relevant data sources (mailing lists, subscriptions, custom reports, etc.)
 - B. Maintain reports, data, publications, etc. in usable formats (library, computer files, etc.)
 - C. Select most appropriate economic and demographic indicators for compilation in custom Economic Analysis Bureau electronic database.
3. Produce ad-hoc analyses of Idaho's economy and its components to support Executive planning and operational needs.

Strategies:

- A. Develop and maintain contacts with public and private sector entities relevant to the economy.
- B. Provide clear and timely reports and analysis as economic issues arise.
- C. Constantly scan the horizon for issues, events, analyses, etc. that may be of importance to the Governor or the public
- D. Maintain close working relationships between the bureau economists and Governor's staff.

OUTPUT MEASURES:

Idaho Economic Forecast is published quarterly.

Idaho Outlook is published monthly.

Daily information and analysis requests are fielded from the media, agencies, and the public.

Ad hoc reports and analyses are provided to the Governor's Office as requested.

OUTCOME MEASURES:

Revenue-related functions of DFM are based on solid economic data and analysis.

Executive planning and operations have access to timely and credible economic information.

Public access to economic information specific to Idaho, its industries, and its regions is enhanced.

GOAL #7: To provide oversight and technical support for the IT systems utilized within DFM, Governor's Office, and Lt. Governor's.

OBJECTIVES:

1. Install, maintain, and plan the DFM, Governor's Office, and Lt. Governor's personal network system.

Strategies:

- A. Work closely with DFM, Governor's Office, and Lt. Governor's management to determine IT needs and problems.
 - B. Keep abreast of hardware and software developments in the marketplace.
 - C. Develop and maintain knowledge and skills relating to PCs, networking, and communications.
2. Provide user support in the areas of hardware and network/communications software.

Strategies:

- A. Train support staff to assist professional staff with end user hardware and software issues.
 - B. Maintain high skill level on operating/communications/database software.
 - C. Maintain liaison with other agencies and IT vendors to extend technical expertise.
3. Provide direct and indirect programming services for database and communications applications.

Strategies:

- A. Develop enhanced skills in Windows programming.
- B. Maintain and develop high skill level in database technology.
- C. Maintain and develop skill level in networking/communications application software.

OUTPUT MEASURES:

IT plans updated annually.

Microsoft Windows Office Suite with 60 users maintained on a daily basis.

Executive Budget database and publications are maintained and printed on an annual cycle.

Several internally developed and maintained databases (single audit, LIS, Budget Development System, clearance patterns, sales tax detail) are maintained and/or operated.

DFM databases use current technology to streamline state agency communication and transfer of data to and from DFM.

OUTCOME MEASURES:

DFM, Governor's Office, and Lt. Governor's computer systems are highly capable and reliable.

IT services and needs of end-users are met in a timely fashion.

Hardware/software problems are solved quickly.

Outputs (reports, publications, etc.) are produced as needed to support Governor and DFM operations.

GOAL # 8: To provide leadership in financial issues and fiscal policies of the State of Idaho.

OBJECTIVES:

1. Act as a liaison, negotiator, and mediator between state agencies and federal government entities with respect to overall financial management activities.

Strategies:

- A. Prepare and negotiate with the appropriate cognizant federal agency the annual Statewide Cost Allocation Plan (SWCAP).
 - B. Prepare and negotiate with US Treasury the annual Cash Management Improvement Act (CMIA) agreement.
 - C. Prepare the single audit report for both the state and federal fiscal year.
1. Assist in developing and implementing statewide financial policies and procedures.

Strategies:

- A. Participate in and provide leadership in the fiscal policy advisory committee.
 - B. Work with agencies on rules, regulations, and policies, and to resolve questions of a fiscal nature.
 - C. Research “best practices” used by other entities to determine possible incorporation into Idaho state government.
1. Review agency financial operations and information for conformance to standard accounting practices, state policies, and state law.

Strategies:

- A. Work with agencies and assigned team members to examine, research, and make recommendations on the condition of any agency operation to the Governor or the Administrator of DFM when requested.
- B. Review agency strategic plans to ensure these plans meet the mission of the agency as required in State law.
- C. Recommend “best practices” for agencies to implement.

OUTCOME MEASURES:

Financial operations of state agencies will improve by following standard policies, procedures, and best practices.

Federal recoveries and exceptions will be reduced to zero.

OUTPUT MEASURES:

Federally required agreements and plans will be completed as required. SWCAP by December 31, and CMIA by June 30 of each year.

Single audit reports will be published by August 31 for the state fiscal year, and by November 30 for the federal fiscal year.

Reviews and audits by the Legislative Auditor will identify no negative findings related to Division actions or procedures.